

[2 August, 2001]

RAJYA SABHA

S. No.	Ministries/Departments	Grievances received with B.F.	Disposed of	Pending
30.	Planning Commission	8	—	8
31.	Mines	—	—	—
32.	Telecommunications	25599	22668	2931
		284338	200057	63881

**Change in the Gadgil Formula**

**\*171. SHRI H.K. JAVARE GOWDA:  
SHRI P. PRABHAKAR REDDY:**

Will the PRIME MINISTER be pleased to state:

(a) whether Government are contemplating to change the Gadgil Formula regarding the distribution of Central assistance to the States;

(b) if so, the details thereof and the reasons therefor;

(c) what steps are being taken to ensure that the States performing well in the area of tax mobilization and fiscal management are not put to a disadvantage as a result of the change;

(d) whether a State's progress on national priorities like population control, child care and literacy would be given special incentive; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI ARUN SHOURIE): (a) and (b) Allocation of Normal Central Assistance (NCA) for the Annual Plans of States is presently based on the Gadgil Formula as approved by the National Development Council (NDC) in December 1991. However, the States have sought a revision of this Formula, and accordingly Planning Commission has received suggestions from various State Governments. However, there is wide divergence in the views amongst the States in this regard. In general, while the advanced States have sought higher weightage for performance, the less advanced States have sought higher weightage for backwardness.

The Full Planning Commission in its meeting held on 27th & 29th June 2001 discussed, *inter-alia*, the issue of revision of Gadgil Formula for allocation of NCA to States and in view of the divergence of views among the State Governments and the sensitivity of this issue, it was decided that it would be necessary to discuss this further and evolve a consensus before alternatives are considered by the NDC.

(c) These aspects, among others, are also taken into consideration when the Formula is approved by the NDC.

(d) The existing formula also gives weightage to indicators of performance. These indicators are: Tax Efforts (2.5%), Fiscal Management (2.0%), Population Control (1.0%), Elimination of Illiteracy (1.0%), On-time completion of Externally Aided Projects (0.5%) and Land Reforms (0.5%).

(e) Does not arise.

#### **Employment under new Liberalisation Policy.**

\*172. SHRI ONWARD L. NONGTUDU: Will the Minister of LABOUR be pleased to state:

(a) whether it is a fact that educated unemployed youth in the different States are not getting employment under the new liberalisation policy;

(b) if so, the reasons therefor; and

(c) the details of the employment provided to the educated unemployed youth in the States, particularly in Meghalaya, under different schemes?

THE MINISTER OF LABOUR (DR. SATYA NARAYAN JATIYA): (a) to (c) The problem of providing employment to educated youth existed prior to the implementation of the new economic liberalisation policy and also continues to exist at present. The reasons for their not getting employment are mainly (i) growth rate of economy not being commensurate with the requirements of employment (ii) labour skills available in the labour market are not in